

Part V Reports of Creditable Service and Compensation

CHAPTER 1: General Information about Types of Reporting Media

Reporting Media

Service and compensation may be reported by using one of following media:

- 3480 or 3490 compatible cartridge;
- 3 ½" floppy diskette;
- CD-ROM;
- Transmission via the Advantis network. Call the Quality Reporting Service Center (QRSC) to obtain instructions for reporting via the network;
- Paper form; or
- Internet Employee Reporting (See Part VIII)

The conventional magnetic tape reels (1600 or 6250 BPI) are not acceptable.

Paper forms can be obtained in the following manner:

- Download the form from the RRB website at www.rrb.gov; or
- Send Form G-615, Employer's Supply Requisition, to the address shown on the form. You may photocopy the exhibit of Form G-615 to request your initial supply of the forms. Allow seven to ten days to receive the requested forms.

To obtain Internet access, see Part VIII of these instructions. To obtain a copy of the RRB Employer Reporting Program on CD-ROM, contact QRSC at (312) 751-4992 or by email at qrsc@rrb.gov.

Instructions

All of the instructions for completion of the paper forms are included on the forms themselves. When using disks or CD-Rom for reporting, data files must be in ASCII character format. The format instructions for cartridge, CD-ROM or disk reports are in the Appendix I for each type of report you file.

Part V, Chapter 2

CHAPTER 2: Filing Instructions for Form G-440, Report Specifications Sheet

**Purpose of
Form G-440**

Every report completed using paper, cartridge, CD-ROM or disk media, must be accompanied by a completed and signed Form G-440, Report Specifications Sheet. Reports filed on the Internet do not require Form G-440.

Form G-440 is used for the following purposes:

- To verify receipt of the annual report;
- To identify the type of report that has been filed; and
- To certify that the data furnished is correct.

If you have no compensated employees to report for the prior calendar year, complete only the appropriate items on the Form G-440.

**Completion of
Form G-440**

Proper completion of Form G-440 is vital to the correct processing of the report. The correct entry of assigned employer BA numbers for all subsidiaries included in the report will prevent the subsidiaries report from being considered delinquent. Therefore, it is necessary to list all BA numbers for all employers included on a cartridge, CD-ROM or disk report.

Employers using a cartridge should make sure:

- The cartridge number is entered in the appropriate item;
 - The corresponding cartridge is labeled;
 - The cartridge has a standard IBM format header label; and
 - The report includes a grand total record.
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**Recapitulation
Sheet**

On the reverse side of Form G-440 is the Recapitulation Sheet used for entry of report totals. The compensation totals are used to verify that the report processed correctly. The report totals must be completed for paper and diskette reports. If your cartridge report includes report totals, you are not required to also provide that information on the Recapitulation Sheet. Although not required, you may wish to complete this section for all reports as an added check. The Sub-total Record and Grand Total Record formats are in the Appendix I.

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CHAPTER 2: Filing Instructions for Form G-440, Report Specifications Sheet, Continued

Recapitulation Sheet Entries

Be sure to complete the following entries on the Recapitulation Sheet.

1.	Check Only One Box	Check the box that corresponds with the form that you are submitting. (BA-3a, BA-4, BA-10)
2.	Page __ of __	Enter the page number of the report you are recapping. The maximum number of report pages for a recapitulation sheet is 15. If more than 15 pages are being recapped, use more than one recap sheet and enter the grand total in Item 6.
3.	Record Count	Enter the total number of lines used on each page of the form you are recapping. For example, if there are 10 employees included on the form you are submitting, the record count should correspond. If an employee appears on an adjustment report for more than one year, count each line item, not each employee.
4.	Compensation Totals	Enter the compensation totals from the bottom of the report form. In the 5th and 6th columns, check the box that corresponds to the type of compensation. If the type of compensation is sick pay or miscellaneous compensation, also check the box to indicate if this is a Tier 1 increase or decrease.
5.	Record Totals	Enter the totals for each column.
6.	Grand Totals	In the top right hand corner of the Recapitulation Sheet, you will see 'Page __ of __'. If more than one page is needed to do your recap , fill in the Grand Totals on the last page of the report (i.e. Page <u>5</u> of <u>5</u>).

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Part V, Chapter 2

CHAPTER 2: Filing Instructions for Form G-440,
Report Specifications Sheet, Continued**Recapitulation
Sheet Entries
and Form
Relationships**

Form BA-3a, Annual Report of Creditable Compensation, is used to report increases only in the compensation amounts. Therefore, the recapitulation sheet is limited to entries in items 1, 2, 3, and the three increase columns under Item 4.

Form BA-4, Report of Creditable Compensation Adjustments, may be used to report increases or decreases in the adjustment amounts. The recapitulation sheet may have entries in all items and columns.

Form BA-10, Report of Miscellaneous Compensation and Sick Pay, may be used to report increases or decreases in sick pay or miscellaneous compensation amounts. The recapitulation sheet may have entries in all items and columns.

The initial Form BA-10 report submitted when the annual reports are filed will report only increases. Therefore, the recapitulation sheet will have entries in items 1, 2, 3, and column 3 of Item 4.

If...	Then...
the initial Form BA-10 is reporting sick pay	check both the Tier I Increase and the Sick Pay boxes.
the initial Form BA-10 is submitted to report miscellaneous compensation	check both the Tier I Increase and the Misc. Comp. boxes and put all entries under the Tier I Increase column.

CHAPTER 3: Filing Instructions for BA-3a, Service and Compensation Annual Reports

Background

Each employer is required by law to submit an annual report of the creditable service and compensation for each employee who performed compensated service in the preceding year. See Section 9 of the Railroad Retirement Act, Section 6 of the Railroad Unemployment Insurance Act, and Section 209.8 of the Railroad Retirement Board's (RRB) Regulations (20 CFR 209.8). Each year employers are reminded of this requirement.

Form BA-3a

Form BA-3a, Annual Report of Service and Compensation is used to report the service and compensation for each calendar year. This form is used to record an employee's lifetime earnings and service from which benefit eligibility and payments are determined. This report is submitted annually, no later than the last day of February. If you have no compensated employees to report for the prior calendar year, complete only the appropriate items on the Form G-440.

**Reporting
Creditable
RUIA
Compensation
on Form BA-3a**

Enter the employee's total creditable compensation under the Railroad Unemployment Insurance Act (RUIA). The creditable amount would never exceed the applicable RUIA monthly maximum earnings base for the year of the report times 12.

See Part III, Chapters 3 for a specific example on how to report RUIA compensation based on the RUIA monthly maximum amounts.

**Reporting
Creditable
Service Months
on Form BA-3a**

A service month is reported for a calendar month in which an employee either actively or constructively rendered compensated service or received pay for time lost for an identifiable period of absence from active service. A service month should be reported even if the payment of compensation for the service is not made until a later month. Enter a "1" for each reported service month.

See Part III, Chapters 2 for more information on reporting creditable service months.

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Part V, Chapter 3

CHAPTER 3: Filing Instructions for BA-3a, Service and Compensation Annual Reports, Continued

Reporting Creditable Tier I and Tier II Compensation on Form BA-3a

Enter the employee's total Tier I creditable compensation, exclusive of sick pay and miscellaneous compensation. These amounts are reported separately on separate report forms. The creditable amount would never exceed the applicable Tier I annual maximum earnings base.

Enter the employee's total Tier II creditable compensation under the RRA. This amount is also limited to the applicable Tier II annual maximum earnings base. See Part III, Chapters 3 for a specific example on how to report Tier I and Tier II compensation.

Note – Please keep in mind, if you are entering amounts that are higher than the Tier I and Tier II maximums, you may also be withholding excess tax amounts from the employee and overpaying your taxes as the employer.

Reporting the Daily Pay Rate on Form BA-3a

Employers' annual reports should include an employee's last daily pay rate. The daily pay rate is used in determining the employee's benefit rate under the Railroad Unemployment Insurance Act (RUIA). Failure to report a daily pay rate may result in an employee receiving the minimum RUIA benefit rate until such time as the actual daily pay rate is verified.

An employee's daily pay rate (DPR) is the basic rate of pay for the last regular job worked for the compensation year. If the employee's daily pay rate is equal to or greater than \$99.99; report \$99.99. **Do not enter an amount greater than 99.99.** If the DPR is less than \$100.00 use the actual rate. The pay rate includes cost of living increases but does not include overtime, arbitrary payments, or special allowances.

Compute the last DPR for employees paid on other than on a daily basis as follows:

- Hourly - Multiply the hourly rate by 8;
- Monthly - Divide the monthly rate by 21.75;
- Annual - Divide the annual rate by months employed, then divide the quotient by 21.75; or
- For mileage rated employees, the rate of pay for the number of miles constituting a basic day as prescribed by the agreement.

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CHAPTER 3: Filing Instructions for BA-3a, Service and Compensation Annual Reports, Continued

Form BA-3d (Magnetic Media Filers)

Form BA-3d is a magnetic media report format that enables employers to file one report that includes the regular service and compensation reported on Form Ba-3a, along with the sick pay and/or miscellaneous compensation submitted on Form BA-10, Report of Miscellaneous Compensation and Sick Pay.

Do not add Tier I sick pay to the amounts on the annual report of service and compensation (BA-3a) because sick pay is reported separately. On Form BA-3d the sick pay and/or miscellaneous compensation is reported concurrently with your annual report. Follow the format instructions for Form BA-3d in Appendix I.

Final Reports

If a covered railroad employer goes out of business or ceases to be a covered employer for any reason, a final report of creditable service and compensation must be submitted. Section 209.10 of the RRB's Regulations (20 CFR 209.10) states that the final report must be submitted on or before the last day of the month following the final month in which there was compensated service. The report should be completed as usual and marked "Final Compensation Report" in the remarks section at the bottom of the G-440, Report Specifications Sheet.

When the Railroad Retirement Board (RRB) receives a "Final Compensation Report", we will conduct an investigation to determine if the employers' coverage status should be terminated.

Zero Reports

In accordance with Section 209.8 of the RRB's Regulations (20 CFR 209.8), employers who do not have creditable service and compensation to report for the previous calendar year are to advise the RRB of this fact in writing. This may be done by filing Form G-440, Report Specification Sheet, and checking the appropriate item.

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Part V, Chapter 3

CHAPTER 3: Filing Instructions for BA-3a, Service and Compensation Annual Reports, Continued

Time Limits

Annual reports for a calendar year, with an accompanying Form G-440, are due at the RRB by the last day of February the following year. Because the receipt of annual reports is monitored by an automated control system, employers will receive a delinquent notice, Form GL-131, generated by this system, approximately two weeks after the due date. If the report is not received at the RRB within 30 days of the delinquent notice, employers will be sent a final notice, Form GL-130, usually by Certified Mail.

Under the Railroad Retirement Act, failure to comply within 30 days of this final notice will ultimately result in a referral to our Deputy General Counsel for the issuance of a subpoena to secure the information. Under Section 209.2(d) of the RRB's Regulations (20 CFR 209.2(d), the RRB may impose fines for continued failure to comply with the regulations.

Filing Requirement for 250 or More Employees

The RRB requires reports for 250 or more employees be filed on magnetic media. We encourage all employers to file on magnetic media. The following are acceptable forms of magnetic media: cartridge, CD-ROM, 3.5 floppy diskettes or the Internet. See Appendix I for instructions on how to properly format the data.

CHAPTER 4: Filing Instructions for BA-4, Report of Service and Compensation Adjustment

Purpose of Form BA-4

Service and compensation that was omitted or incorrectly reported on a previous report can be corrected by filing an adjustment report. Form BA-4, Report of Creditable Compensation Adjustment is used to correct an error or omission in service and compensation previously reported. Adjustments for any current reporting year earnings, which cannot be included in the annual report, should be submitted on a Form BA-4 and clearly marked as current year adjustments. Otherwise the adjustments will reject from processing and the employer will receive a notification.

Form BA-4 on ERS

Form BA-4 can also be submitted through the Employer Reporting System (ERS) on the Railroad Retirement Board's (RRB) Internet website. Instructions for registration and access to the ERS can be found in Part VIII of these instructions.

Submitting Form BA-4

Employers may initiate an adjustment report to correct an error the employer has determined or the RRB may request an adjustment report to correct an error the RRB has determined.

If a service month and/or compensation error or omission is identified, prepare Form BA-4 to make the correction. Form G-440, Report Specification Sheet, is also required to accompany each group of Form BA-4s submitted to the RRB. On the reverse of Form G-440, recap the number of items and totals for each type of adjusted compensation, with separate totals for increase and decrease items.

Detailed instructions for completing Form BA-4 are located on the form.

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Part V, Chapter 4

CHAPTER 4: Filing Instructions for BA-4, Report of Service and Compensation Adjustment, Continued

Service month adjustments

If an employee was not credited or was erroneously credited with a service month, complete item 9 and Item 10 of Form BA-4. In item 9, mark only the service months that you are increasing or decreasing. In Item 10, enter the total number of service months increased or decreased. Do not report a service month on Form BA-4 unless:

- A service month was not previously reported and the omission is being corrected; or
- A service month was erroneously reported and is being corrected.

When adjusting service months, also consider the RUIA amount. If the employee has service months credited or removed, there may be associated increases or decreases in the amount of reported RUIA compensation. RUIA compensation is subject to a monthly maximum.

Compensation Adjustments

To adjust compensation amounts, enter the **net** compensation increase or decrease in item 8 for RUIA compensation, item 11 for Tier I compensation, and item 12 for Tier II compensation.

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CHAPTER 4: Filing Instructions for BA-4, Report of Service and Compensation Adjustment, Continued

Example of BA-4 Adjustment

The Railroad Retirement Board received a 2004 Form BA-3a, Annual Report of Creditable Compensation that credited an employee with 12 service months, Tier I compensation of \$65,000, Tier II compensation of \$65,000, and RUIA compensation of \$13,560. Subsequently, the employer identified the following reporting error; The employee did not perform creditable railroad service in December 2004, and was erroneously credited with December compensation of \$2000 from her employer's matching contribution to a 401(k) plan.

To Correct this error:

- Employer is required to file Form BA-4, Report of Creditable Compensation Adjustment, to the Railroad Retirement Board;
- Adjust December service month by marking the December column of Item 9 and entering "1" in the decrease column of Item 10;
- Adjust the RUIA compensation reported by entering \$1130.00 (\$1130.00 * 1) in the decrease column of Item 8;
- Adjust the Tier I compensation reported by entering \$2000.00 in the decrease column of Item 11; and
- Adjust the Tier II compensation reported by entering \$2000.00 in the decrease column of Item 12.

Note – Sick Pay and Miscellaneous Compensation are creditable as Tier I compensation but adjustments to those amounts are reported on Form BA-10, Report of Miscellaneous Compensation and Sick Pay.

Time limits for adjustments

The Railroad Retirement Act imposes a four-year statute of limitations for adjusting a report of creditable compensation. If the calendar year being adjusted is prior to four years from the current reporting year, indicate the line number and the reason the employee's record is being adjusted in Item 15 of the BA-4 adjustment form.

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Part V, Chapter 4

CHAPTER 4: Filing Instructions for BA-4, Report of Service and Compensation Adjustment, Continued

Dual ledger accounting

The RRB uses basic dual-ledger accounting principles in processing adjustments. That is, if you filed a report for an incorrect year, you would correct this in two steps.

Step	Action
1	Decrease the service and compensation from the incorrect year on one line.
2	Increase service and compensation to the correct year on the next line.

Do not increase and decrease on the same line. By the same principle, if you under-report Tier I compensation by \$150, the way to correct this is to increase Tier I compensation by \$150. Do not file a new report with corrected totals

CHAPTER 5: BA-6a, Address Reports for New Hires

Purpose	Employee address records are maintained for the purpose of mailing to the employee Form BA-6, Certificate of Service Months and Compensation.
Employer Reports New Hires' Address	<p>Employers are required to file Form BA-6a, Address Report with the RRB for new hires only. This report is due by April 1 each year. If you have no new hires, no address report is necessary.</p> <p>Detailed instructions for completing Form BA-6 are located on the form.</p>
Form BA-6a on ERS	Form BA-6a can also be submitted through the Employer Reporting System (ERS) on the Railroad Retirement Board's (RRB) Internet website. Instructions for registration and access to the ERS can be found in Part VIII of these instructions.
Employee Reports Change of Address	It is the employee's responsibility to report any address change to the RRB. Instructions for employees to report address changes are on the employee's Form BA-6, Certificate of Service Months and Compensation. An employee can also report an address change to their local RRB office.
Reporting Media	<p>Addresses for new hires may be reported on:</p> <ul style="list-style-type: none">• Paper Form BA-6a, Address Report (See Exhibits);• Magnetic media (See Form BA-6a cartridge/disk/CD-ROM format in Appendix I);• Computer listing. (The computer listing should include the fields from the paper form in the same order and should identify the tape positions at the top of each field column.); or• Employer Reporting System (ERS) on the Internet.

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Part V, Chapter 5

CHAPTER 5: BA-6a, Address Reports for New Hires, Continued

**Incorrect
Addresses**

Should the U.S. Postal Service return Form BA-6, Certificate of Service Months and Compensation to the RRB, we will attempt to secure an accurate address. The RRB uses address information from the postal service and telephone directories. If the RRB is unsuccessful in securing a valid address, we will contact the NRO for assistance.

CHAPTER 6: Filing Instructions for BA-9, Report of Separation Allowance and Severance Pay

Purpose of Form BA-9

Whenever you make separation allowance or severance payments to an employee, such payments are to be reported to the RRB on Form BA-9, Report of Separation Allowance or Severance Pay. This report is needed to establish a disqualification period for unemployment and sickness benefits and to calculate any Separation Allowance Lump Sum benefit due at retirement. Information on Form BA-9 may also be used to make deemed service month determinations.

Separation Allowance Paid With Other Payments

If both a separation allowance and some other payment are being paid at the same time, it is preferable if the two payments are issued separately. This will make clear to both the employee and the RRB, the amount of separation allowance which is subject to Tier II tax. If a separation payment and another payment are combined, the Tier II tax on the pay receipt may not agree with the amount reported on Form BA-9 as subject to Tier II tax. Any such differences must be resolved. Separate payments will help to prevent unnecessary inquiries to the employer for clarification.

Form BA-9 Filing Instructions

Form BA-9, Report of Separation Allowance or Severance Pay, is due at the RRB no later than the last day of the month following the end of the quarter in which the separation or severance was paid. For example, reports of payments made during April through June 2003 were due at the RRB no later than July 31, 2003. While the filing of quarterly reports is required, you may file more often. It may be more convenient to file the forms on a monthly basis or each time you make a separation or severance payment.

Detailed instructions for completing Form BA-9 are located on the form.

Failure to File Form BA-9 Timely

It is important that you file Form BA-9 timely because benefits under both the RUIA and RRA may be affected. If you fail to file Form BA-9 timely:

- no disqualification period will be established;
- RUIA benefits may be paid improperly; and
- the employer's RUIA contribution rate will be erroneously inflated.

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Part V, Chapter 6

CHAPTER 6: Filing Instructions for BA-9, Report of Separation and Severance Pay, Continued

Adjustments Adjustments to report severance pay are made on Form BA-9 also. **Instructions on the reverse side of the paper form explain how to complete a Form BA-9 for an adjustment.**

Incorrect Usage of Form BA-9 **Do Not** use a Form BA-9 to do the following:

Update an employee's service and compensation record.	The creditable compensation that results from a separation allowance or severance payment must be reported as regular compensation on Form BA-3a, or on Form BA-4, as appropriate.
Report miscellaneous compensation	Separation allowance or severance pay may become miscellaneous compensation if payment meets all of the conditions of miscellaneous pay as described in Part IV, Chapter 10.
Report a monthly dismissal allowance	See the explanation of dismissal allowance in Part IV, Chapter 8.

Form BA-9 Earned vs. Paid Reporting There are no special instructions for completing Form BA-9 to report Severance Pay/Separation Allowances, based on whether you report compensation on an earned or paid basis. This is because it is assumed, prior to completing Form BA-9; you have already correctly taxed and reported the separation allowance using the method (earned/paid) you have chosen. You then report on Form BA-9 the amount of the separation allowance that was already subject to tax and the amount that was already reported as compensation for the reporting period. If the separation allowance was paid out over a period, it may be necessary to file more than one Form BA-9.

CHAPTER 7: Filing Instructions for BA-10, Miscellaneous Compensation and Sick Pay Reports

Background

Each employer who has paid creditable sick pay during the year is required by law to submit an annual report of the creditable sick pay. This report is made on Form BA-10, Report of Miscellaneous Compensation and Sick Pay. This form serves multiple purposes.

Payments that meet the conditions required to be considered miscellaneous compensation, must also be submitted on Form BA-10. See Part IV, Chapter 10 for an explanation of miscellaneous compensation requirements.

Report Miscellaneous Compensation and Sick Pay on Form BA-10

Because sick pay and miscellaneous pay are both creditable only as Tier I compensation, they are reported separately from regular earnings on Form BA-10, to help ensure the integrity of our records.

Completing the Form

A sick pay or miscellaneous compensation report will either increase or decrease compensation according to the Increase/Decrease code in the appropriate item/tape position. Every entry on an annual report will always be an increase, as it is the initial report for the year.

Detailed instructions for completing Form BA-10 are located on the form.

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Part V, Chapter 7

CHAPTER 7: Filing Instructions for BA-10, Miscellaneous and Sick Pay Reports, Continued

**Using Form
BA-10 for
Adjustments**

Adjustments to reported sick or miscellaneous pay are also reported on Form BA-10. Adjustments, however, cannot be included in the annual report: a separate BA-10 adjustment report is required. Do not use Form BA-4, Report of Creditable Compensation Adjustment, to report sick pay adjustments.

A decrease adjustment will not be processed if the BA number on the adjustment report does not agree with the BA number on the original report, or if the adjustment results in a negative amount. Such adjustments will be referred to the employer for corrective action. Complete the BA-10 for an adjustment report as shown below.

When the code is...	the compensation is ...
4	added for the year shown.
M	subtracted from the compensation previously reported in the year.

**Reporting on
Magnetic
Media**

If you report on magnetic media and you wish to combine your sick pay and/or miscellaneous compensation with your annual report of service and compensation, refer to the format instructions for Form BA-3d in Appendix I.

**Reporting on a
Paid vs. Earned
Basis**

Because of regulations adopted in 1993 and related system improvements, an employer reporting compensation on a *paid* basis should include all creditable compensation in their annual report of the year and limit the use of Form BA-10, Report of Miscellaneous Compensation and Sick Pay, to report sick pay. An employer reporting compensation generally on an *earned* basis may continue to use Form BA-10 to report miscellaneous compensation that meets the criteria.

CHAPTER 8: Form BA-11, Gross Earnings Report

**Purpose of
Gross Earnings
Report**

The BA-11, Gross Earnings Report is used to obtain the actual gross earnings of a sample group of covered employees. The data collected in the gross earnings is used to estimate future tax income and to compute taxes owed for the financial interchange between the railroad retirement and social security/Medicare programs.

Gross earnings amounts consist of all earnings taxable under the hospital insurance portion of the Tier I tax rate. This includes earnings above the taxable limit, sick pay and miscellaneous compensation.

Detailed instructions for completing Form BA-11 are located on the form.

**Reporting
Requirements**

Each employer is required by law (20 CFR 209.13) to report the gross earnings for each employee on the payroll whose social security number ends with the digits “30”. This information is an integral part of the data needed to compute taxes owed in the financial interchange with the Social Security Administration and the Centers for Medicare & Medicaid Services (CMS), and to estimate future tax income.

**Due Dates and
Frequency of
Reports**

Gross earnings are to be reported for the same periods as used in determining the employer’s annual report of creditable service and compensation (Form BA-3a). The gross earnings report for the preceding calendar year is due the last day of February of the following year. Gross earnings reports must be accompanied by Form G-440, Report Specifications Sheet.

All employers are to submit their reports annually with monthly, quarterly, or annual breakdowns. Employers with 5,000 or more employees on their payroll during the year are required to provide a monthly or quarterly breakdown of the year’s earnings. Employees with fewer than 5,000 employees may submit only an annual amount, although a monthly or quarterly breakdown is preferable.

**Employers with
No Employees
with SSN
Ending in “30”**

Employers who have no employees with social security numbers ending with the digits “30” should submit Form BA-11 stating “no employees to report”, or send an e-mail to actuary@rrb.gov. The e-mail subject line should state “Form BA-11” and the message line should include the BA number, name of labor organization, the statement “no employees to report on Form BA-11”, and the contact official name and phone number.

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Part V, Chapter 8

CHAPTER 8: Form BA-11, Gross Earnings Report,
Continued

**Report Media
Options**

Employers have the option of reporting by one of the following methods:

- 3480 or 3490 compatible cartridge (preferable);
- CD ROM in ASCII format;
- 3½ floppy diskette in ASCII format; or
- Paper Form BA-11, Report of Gross Earnings

Employers who are not able to submit their reports on a tape cartridge, or who have few employees to report, may submit a paper Form BA-11. However, we encourage the use of the Employer Reporting Program released by the Quality Reporting Service Center (QRSC). If you need an updated copy contact QRSC.

**Common
Errors to Avoid**

Below are some helpful hints on how to avoid errors we frequently have found on the Form-BA11.

- Do not limit the amounts in the gross earnings report to the annual Tier I or Tier II creditable maximum amounts for the year.
- Ensure that the gross earnings amount reported for an employee is not less than the Tier I amount reported for the employee for the same year.
- Gross earnings reported on Form BA-11 and creditable compensation reported on Form BA-3a must both be reported on the same basis, either "paid" or "earned."
- Be sure to include in the gross earnings report any new employees hired in the year with a social security number ending in "30".
- Be sure to list all subsidiary BA numbers included in the gross earnings report on Form G-440, even if one or more BA numbers have no employees with a "30" social security number.

**Help with
Gross Earnings
Reports**

Employers who have difficulty with any of the Labor Reporting Instructions for gross earnings reports should contact the Division of Benefit and Employment Analysis in the Bureau of the Actuary for assistance. See the Jurisdiction Referral Guide in Appendix II.

CHAPTER 9: Time Limitations for Adjustment Reports

**Time
limitations
under the RRA**

Section 9 of the Railroad Retirement Act (RRA) provides that the RRB's records of service and compensation are conclusive as to the amount of compensation paid during the period covered by the report, unless an error is called to the RRB's attention within four years of the day on which the report was required to be made. Employers are required to file with the RRB, on or before the last day of February, an annual report of service and compensation for employees who performed compensated service in the preceding calendar year.

Likewise, the fact that no report of compensation was made is taken as conclusive information that no compensation was paid, unless the failure to make a report of the compensation is called to the RRB's attention within four years of the day on which the report was required to be made.

**Example of
time limitation
under the RRA**

Reports of compensation and service for the year 2004 were due at the RRB on the last day of February 2005. The last day to submit a corrected report of Tier I and II compensation for the year 2004 would be the last day of February 2009. After February 28, 2009, the time limit for adjustments to Tier compensation earned in 2004 will have expired.

**Time limitation
under the
RUIA**

Section 6 of the Railroad Unemployment Insurance Act (RUIA) provides that the RRB's records of compensation are conclusive unless an error is called to the attention of the RRB within eighteen months of the date on which the return was required to be filed. The last day to submit a corrected report of RUIA compensation for the year 2004 would be August 31, 2006.

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Part V, Chapter 9

CHAPTER 9: Time Limitations for Adjustment Reports, Continued**Exceptions to
the four year
adjustment
limitation**

Part 211.16 of the Railroad Retirement Board's Regulations allow corrections beyond the four-year adjustment period in the following circumstances:

- The compensation was posted or not posted as the result of fraud on the part of the employer;
- The compensation was posted for the wrong person or wrong period;
- The earnings were erroneously reported to the Social Security Administration in the good faith belief by the employer or employee that such earnings were not covered under the Railroad Retirement Act;
- A determination pertaining to the coverage under the Railroad Retirement Act of an individual, partnership, or company as an employer, is retroactive;
- In the judgment of the three-member Board, failure to make a correction would be inequitable.

**Error
discovered after
the allowed
adjustment
period**

An employer who discovers an error in a compensation report beyond the four-year period should submit Form BA-4, Report of Creditable Compensation Adjustments, accompanied by an explanation of the delay and a statement regarding the payment of applicable taxes.

An employee will not be credited with service months or Tier II compensation beyond the four-year period unless the employer establishes to the satisfaction of the Board that all employment taxes imposed by Sections 3201, 3211, and 3221 of title 26 of the Internal Revenue Code have been paid with respect to the compensation and service.

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CHAPTER 9: Time Limitations for Adjustment Reports, Continued

Determining the period for retroactive payments

Reports adjusting prior-year service and compensation are due at the RRB by the end of the month following the calendar quarter in which the payment was made or the error or omission was determined. For example, if payment was made in July 2004 for a period of lost earnings in 1999 and 2000, the report would be due by October 31, 2004. If an employer is filing an adjustment that appears to be beyond the four-year period, such as in the above example, the employer should complete item 15 on the adjustment report. This item allows an employer to identify current payments that are allocated more than four years prior to the current year. If the adjustment report is filed on magnetic media, the employer can put this information in the “Remarks” section of Form G-440, Report Specification Sheet.

Part V, Chapter 10

CHAPTER 10: Records Retention Requirement

Retention requirements

Employers are required (20 CFR 209.16) to retain payroll records on which service and compensation reports are based for five years after the due date of the compensation report or the date that the Railroad Unemployment Insurance Act contribution to which they relate is paid, whichever is later. For example, the payroll records for 2004 (for which compensation was due to be reported by the last day of February 2005) are to be retained until March 1, 2010.

Exception

In the event of a dispute of the compensation report, the records must be retained as long as the dispute is held open. Disputes include any requests from the RRB for reconciliation of report data that were made within the five-year period and which remain outstanding.
